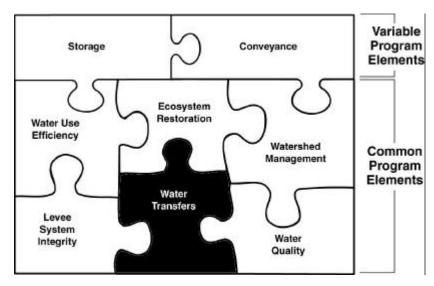


# Water Transfer Policy

Program is a cooperative effort among state and federal agencies and the public to ensure a healthy ecosystem, reliable water supplies, good quality water, and stable levees in California's Bay-Delta system. Water Transfers is one of six Program elements common to each of the three potential solutions CALFED has developed, represents a significant investment in the system and will greatly reduce system conflicts.



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### The Problem

The California Bay-Delta system provides water for drinking, industry, recreation, agriculture, irrigation, and to support aquatic and wetlands habitat. They CALFED Bay-Delta Program has identified a number of problems affecting the Bay-Delta system, including ecosystem quality, water quality and water supply reliability. The problems result in part from an imbalance in water supply and demands. CALFED recognizes that water transfers are an important part of water management in California and can be valuable in the effort to improve water supply reliability, water use efficiency and the aquatic ecosystem.

#### The Goal

Provide a policy framework to facilitate and encourage a market-based water transfer system that can move water between users, including environmental uses, on a voluntary and compensated basis.

## Ways This Can Be Accomplished

Water transfers are one way to increase water supply reliability. The CALFED approach to water transfers is to encourage the development of standard guidelines based on those presented in Governor Pete Wilson's 1992 water policy address.

- Water transfers must be voluntary. Water rights of sellers must not be impaired.
- Water transfers must not harm fish and wildlife or their habitats.
- There need to be assurances that water transfers will not cause overdraft or degradation of groundwater basins.
- Entities receiving transferred water should be required to show they are already making efficient use of existing water supplies.
- Water districts and agencies that hold water rights or contracts to transferred water must have a strong role in determining what is done. The impact on the fiscal integrity of the districts and on the economy of small agricultural communities cannot be ignored.

# Key Benefits

- Improves the economic efficiency of water use
- Provides an incentive for water users to implement cost-effective conservation measures
- Helps ensure realistic evaluation of the cost-effectiveness of any new supply development, helping to avoid premature investment or over investment in supply facilities such as surface storage

### Issues & Concerns

- An open and active water transfer market will provide a critical economic incentive for water conservation
- Need measures to protect rural economies from unintended transfer impacts, protect groundwater resources, and encourage in-stream flow transfers
- Independent transfers clearinghouse may be needed to ensure public review of transfers
- Need to encourage transfers that are environmentally beneficial or benign
- Need a process to examine and resolve technical issues limiting a water transfers market